



Wyoming

Benefits From Exports

Despite the small size of its manufacturing sector, Wyoming's export sales of merchandise expanded from \$89 million in 1993 to \$142 million in 2000, a 60 percent increase that was only slightly below the 68 percent rise in overall U.S. exports of goods.

Wyoming's exports have also been growing on a per capita basis. In 1993, merchandise exports amounted to \$188 for every Wyoming resident. By the year 2000, per capita exports had grown to \$287, a gain of nearly 53 percent.

Wyoming exported merchandise globally to 80 foreign markets in 2000. Two of the state's top three export destinations in 2000 were North American Free Trade Agreement (NAFTA) nations. Wyoming's top market by far was Canada, which accounted for \$91 million, or nearly two-thirds, of the state total. Canada was followed by the United Kingdom (\$12 million) and Mexico (\$9.7 million). Other significant markets in 2000 were Hong Kong, Brazil, Japan, and Taiwan.

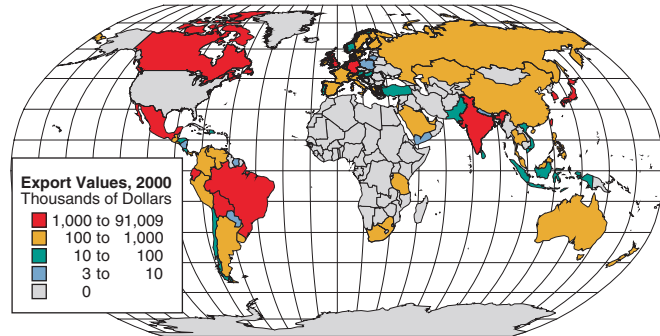
The state's biggest growth markets, in dollar terms, are the United Kingdom and the NAFTA nations of Mexico and Canada. From 1997 to 2000, sales to the United Kingdom rose from \$6.9 million to almost \$12

million, an increase of 72 percent. Sales to Mexico nearly doubled from \$4.9 million to \$9.7 million, moving Mexico from sixth place to third place among Wyoming's markets. Exports to Canada increased by \$2.7 million, rising from \$88.3 million to \$91 million.

Wyoming's leading export category is chemical manufactures. Exports of these products alone accounted for \$38 million, or more than one-fourth, of the state total in 2000. Other major manufactured exports were machinery manufactures (\$26 million), computers and electronic products (\$19 million), and fabricated metal products (\$11 million).

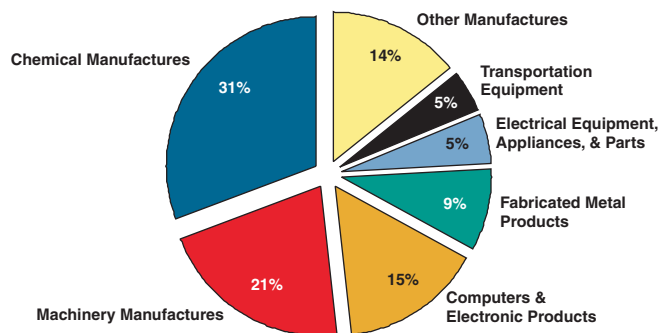
WYOMING EXPORTED GOODS WORTH \$142 MILLION TO 80 FOREIGN MARKETS IN 2000

Dollar Value of Wyoming's Merchandise Exports to Foreign Markets, 2000



Source: U.S. Department of Commerce, Exporter Location Series.

WYOMING EXPORTS A WIDE RANGE OF MANUFACTURES: \$123 MILLION IN 2000



Note: Manufactures are a subcategory of total merchandise exports, which also include mining commodities and unprocessed agricultural products.

Source: U.S. Department of Commerce, Exporter Location Series.

While significant, the preceding figures understate the true importance of exports to Wyoming's economy. In addition to directly exporting manufactured goods, Wyoming also *indirectly* exports substantial quantities of nonmanufactured commodities, including minerals, agricultural goods, and livestock products. These indirect commodity exports are not captured in federal export statistics because they take place through middlemen located in other states. Wyoming's indirect exports of minerals, livestock products, and agricultural commodities may have been as high as \$360 million in 2000.

Exports Support Good Jobs

Export-related jobs tend to be good, high-paying jobs. Wages of workers in jobs supported by merchandise exports range 13–18 percent higher than the national average. Export-supported jobs are also more secure: Exporting plants are 9 percent less likely to shut down than comparable nonexporting plants.

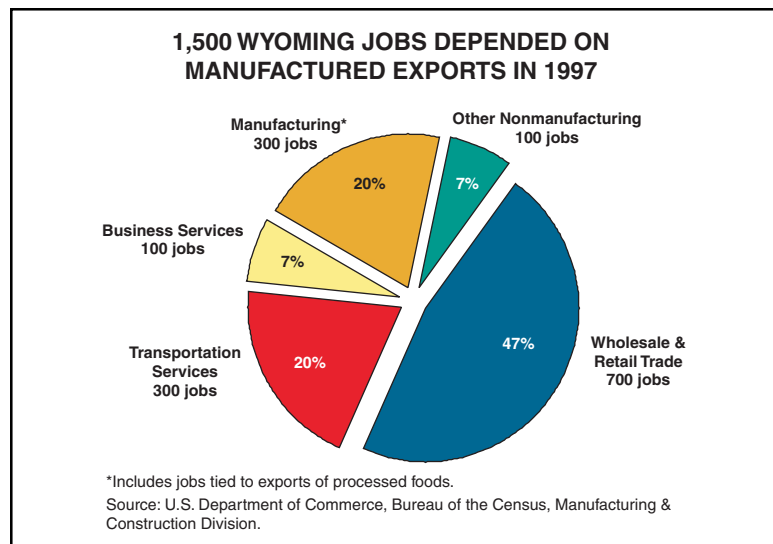
In 1997 (latest available data), Wyoming depended on manufactured exports for some 1,500 jobs. Export-supported jobs were responsible for 0.8 percent of the state's total private sector employment.

Manufactured exports supported about 300 jobs in Wyoming's manufacturing industries. This was 3.6 percent of the state's manufacturing work force. About one-third of these jobs were located in the machinery sector.

Exports of manufactured goods also indirectly supported 1,200 jobs in the state's nonmanufacturing industries—including 700 workers in wholesale-retail trade, 300 in transportation services, 100 in the business services sector, and another 100 in other nonmanufacturing sectors such as agriculture and mining. All these industries directly and indirectly supply manufacturers with a wide variety of inputs needed to produce goods for export.

Exports Help Small Business

Exports have broadly benefited Wyoming businesses, both large and small. A total of 636 companies exported from Wyoming locations in 1998. Almost 65 percent of these companies—some two-thirds—were small and



medium-sized firms that had fewer than 500 employees. In fact, about half of all Wyoming exporters were small firms with fewer than 100 workers.

Small and medium-sized companies were responsible for roughly 45 percent of Wyoming's total export sales in 1998. This was well above the national average of 29 percent.

Foreign Competitors Are Not Standing Still

While previous rounds of trade negotiations were highly successful in reducing trade barriers, much work remains to be done to level the playing field for U.S. businesses. In fact, the United States has fallen behind our trading partners in combating market barriers through free trade agreements. The United States is a party to just two of the estimated 130 free trade agreements in force worldwide. In comparison, the European Union has FTAs with 27 countries. Since U.S. tariffs are already low compared to those of our trading partners, the United States has a great deal to gain from future negotiations aimed at prying open foreign markets.

Wyoming Industries Can Gain From Trade Negotiations

Wyoming's exporters still face many tariff and nontariff barriers abroad, especially in developing countries. While developing nations are among the most promising markets, they also tend to have high levels of import protection. Trade negotiations aimed at reducing these barriers will significantly benefit Wyoming's businesses in a number of industrial sectors.

Soda ash. Wyoming has large natural soda ash resources and the industry is one of the state's largest employers.

TRADE PROMOTION AUTHORITY— KEY TO OPENING WORLD MARKETS

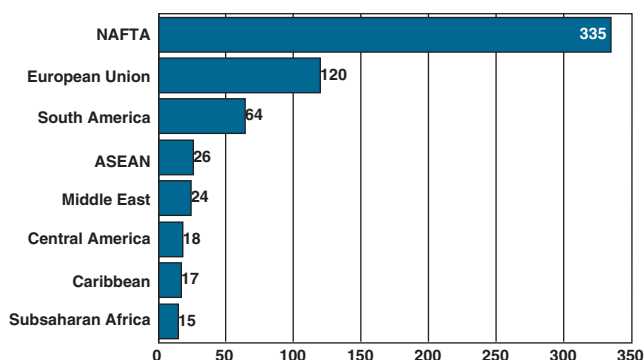
U.S. Trade Promotion Authority (also known as TPA or "fast track") is essentially an agreement between the President and Congress on how market-opening trade negotiations will be conducted and agreements approved.

Under TPA, the President involves Congress in trade negotiations from the start; Congress, in exchange, agrees to vote yes or no on any resulting agreement in its entirety, without amendments. The two branches set negotiating objectives and consult during trade talks while inviting public comment. This open process allows problems to be identified and resolved during negotiations, when agreement is most easily achieved.

TPA preserves the ability of the United States to protect public health, safety, and the environment.

WYOMING EXPORTERS SELL TO MANY FOREIGN MARKETS

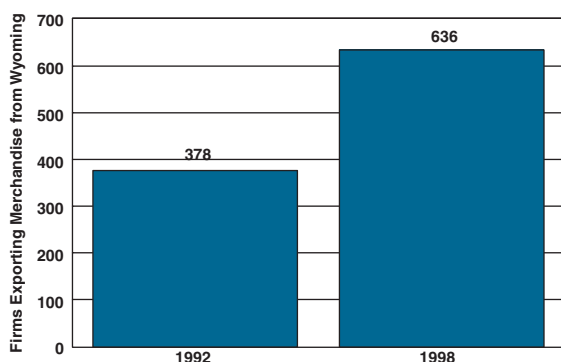
Number of Firms Exporting Goods from Wyoming to World Regions, 1998



Note: Figures refer to firms selling merchandise to specific markets. Because firms sometimes export to multiple locations, exporter counts cannot be summed to arrive at meaningful totals.

Source: U.S. Department of Commerce, Exporter Data Base.

THE NUMBER OF COMPANIES EXPORTING FROM WYOMING ROSE 68 PERCENT FROM 1992 TO 1998



Source: U.S. Department of Commerce, Exporter Data Base.

Soda ash is the United States' largest inorganic chemical export, with total exports of \$447 million in 2000. Approximately 80 percent of those exports originated in Wyoming. The industry benefited from tariff reductions on inorganic chemical products in the Uruguay Round. However, several key markets still maintain high tariffs. Australia, for example, has a tariff of 10 percent, and such developing countries as India and Pakistan have tariffs of 20 percent and 35 percent, respectively.

Chemicals. Apart from soda ash, Wyoming exports a variety of other chemical products. TPA would allow the United States to build on duty reductions established under the Uruguay Round Chemical Tariff Harmonization Agreement (CTHA), which reduced tariffs to harmonized low levels on a range of products from fertilizers to plastics. Since the end of the Uruguay Round, more advanced developing countries, most of which do not participate in the CTHA, have become increasingly important chemical producers.

Tariffs in Asian countries outside the CTHA range up to 60 percent. New negotiations would offer the opportunity to address tariff disparities and the many nontariff barriers facing the chemical industry, including discriminatory product registration, testing/certification, and import licensing requirements.

Industrial machinery. Further reductions in tariff and nontariff barriers through new negotiations would greatly expand opportunities for Wyoming's machinery exports. While the state's industrial machinery exporters have benefited from tariff reductions in previous trade agreements, the industry continues to face barriers in many markets throughout the world. For example, tariffs on industrial machinery are as high as 30 percent in Brazil and India. This sector also suffers from the many import restrictions maintained in potentially lucrative markets, including nontransparent and preferential government procurement practices, deficiencies in intellectual property protection, investment barriers, and the increasing use of standards as nontariff barriers to trade. In addition, restrictions on the ability to provide after-sales service greatly inhibit market access for U.S. manufacturers of complex machinery.

Metals. Canada and Mexico are the largest markets for U.S. metal exports, which already benefit from duty-free access under the North American Free Trade Agreement (NAFTA). However, tariff and nontariff

barriers remain in other markets, such as the European Union, where the average tariff on nonferrous metals is

WYOMING: WHY TRADE PROMOTION AUTHORITY?

Trade Promotion Authority is critical for removing remaining barriers to exports of Wyoming goods and services.

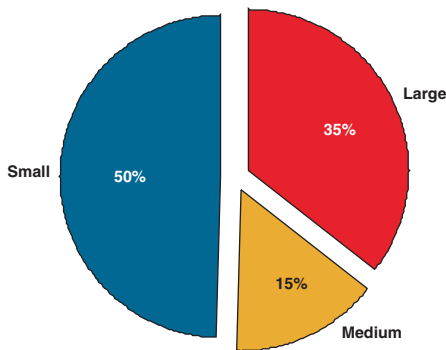
Wyoming exporters still face major trade barriers in such sectors as soda ash, chemicals, industrial machinery, and metals.

With the United States on the sidelines, foreign competitors are forging ahead and pursuing their own market-opening agreements.

Some 1,500 Wyoming jobs depend on exports of manufactured goods.

636 companies—including 410 small and medium-sized businesses—export from Wyoming.

65 PERCENT OF WYOMING'S 636 EXPORTING FIRMS IN 1998 WERE SMALL AND MEDIUM-SIZED ENTERPRISES



Small = less than 100 employees; medium = 100–499 employees; large = 500 or more employees.
Source: U.S. Department of Commerce, Exporter Data Base.

twice as high as the average U.S. rate. Wyoming metal exporters also face numerous nontariff barriers, such as distribution restrictions.

Agriculture. Wyoming produces and exports agricultural products. According to the U.S. Department of Agriculture, Wyoming's agricultural exports totaled \$31 million in 1999 (including processed foods). Wyoming's top agricultural exports are live animals and red meats, wheat and products, feed grains and products, and feeds and fodders. Wyoming already benefits from past trade agreements. Under the Uruguay Round, South Korea eliminated its chilled and frozen beef import quotas in 2001 and will reduce its tariffs to 40 percent by 2004. Under the Uruguay Round, limits were set on subsidized wheat exports, and Mexico eliminated import licensing for wheat and is phasing out tariffs under NAFTA. Also under NAFTA, Mexico eliminated its 15 percent tariff on live slaughter cattle, its 20 percent tariff on chilled beef, and its 25 percent tariff on frozen beef. However, U.S. agricultural exports still face high tariffs and nontariff barriers worldwide.

Services. Services are the biggest component of the U.S. economy and now account for more than one-fourth (28 percent) of U.S. exports to the world. Service exports in 2000 totaled \$296 billion; the United States ran a surplus of nearly \$80 billion in services trade with the world. Exportable services include transportation services (e.g., air freight), financial services (e.g., banking, insurance) and business services (e.g., engineering, architecture). Service industries confront a wide range of barriers abroad.

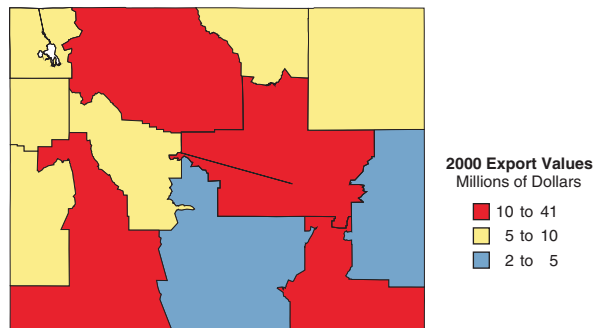
Trade Promotion Authority will provide added impetus to the new round of global services trade negotiations now under way to dismantle these barriers.

Imports Also Important to Wyoming

While exports generate clear benefits for the Wyoming economy (jobs, wages, expanded tax base, etc.), the role of imports is less clear—especially since no import statistics are available for states on an end-user basis. Although many often equate imports with “lost” jobs, the reality is usually much more complex. For example, there is no doubt that imports supply critical inputs for many of the goods and services produced in Wyoming, including products destined for export. Imports often play a key role in ensuring supplies of vital materials that are either scarce or simply not available domestically. More generally, imports provide consumers and businesses in Wyoming with wider choice in the marketplace, thereby enhancing living standards and contributing to competitiveness.

EXPORTS ARE SOLD FROM ALL OVER WYOMING

Wyoming's Merchandise Exports by Three-Digit Zip Code, 2000



Note: Wyoming's total merchandise exports in 2000 were \$142 million. Unshaded areas represent national forests and parks, federal and military reservations, localities without exports, and areas where export data are suppressed due to federal disclosure regulations.
Source: U.S. Department of Commerce, Exporter Location Series.